Related Medlearn Matters Article #: MM3279

Date Posted: August 3, 2004

Related CR #: CR 3279

Extension of Interrupted Stay Policy Under Long Term Care Hospital (LTCH) Prospective Payment System (PPS)

Keywords

Interrupted Stay, Long Term Care Hospital, LTCH, DRG, Three-day Interrupted Stay, Discharge Venue, Non-surgical DRG Care Hospital, Arrangements, MM3279, CR3279

Provider Types Affected

Long Term Care Hospital (LTCHs), Inpatient Rehabilitation Facilities (IRFs), Skilled Nursing Facilities (SNFs), and Swing Beds and acute care hospitals, both inpatient and outpatient bills

Key Points

- The effective date of this instruction is July 1, 2004/
- Interruption of stay is defined as an LTCH stay during which a Medicare inpatient is discharged to an acute care hospital, an IRF, or an SNF/swing bed for treatment or services that are not available in the LTCH and returns to the same LTCH within applicable fixed-day periods.
- Medicare considers an “interrupted stay” to be part of the first LTCH admission or a single discharge from the LTCH.
- Medicare will only make a single LTCH PPS payment for an interrupted patient stay.
- Following is the general “interrupted stay” policy:
    - The day-counts of the applicable fixed-day period begin on the day of discharge from the LTCH (which is also the day of admission to the other site of care) and vary depending on the discharge venue. The applicable fixed-day period for discharge to an acute care hospital is 9 days, 27 days for discharge to an IRF, and 45 days for discharge to an SNF/swing bed.
    - Remember that if the patient is readmitted to the LTCH within the fixed-day threshold, the return to the LTCH is considered part of the first admission, and Medicare will make only a single LTCH PPS payment. Medicare will reject inpatient claims (non-surgical DRG acute care hospital, both IPPS and non-IPPS, IRF, SNF, and swing bed) for services during the three day interruption of the LTCH claim with dates of interruption on or after July 1, 2004.
- Following is the original interrupted stay policy:

  - When a patient is discharged to an acute care hospital and is readmitted to the same LTCH within 4-9 days (occurrence span code 74 shows 8 days or less);
  - When a patient is discharged to an IRF and is readmitted to the same LTCH within 4-27 days (occurrence span code 74 shows 26 days or less);
  - When a patient is discharged to an SNF and is readmitted to the same LTCH within 4-45 days (occurrence span code 74 shows 44 days or less); and
  - When a patient is discharged to a swing-bed and is readmitted to the same LTCH within 4-45 Days (occurrence span code 74 shows 44 days or less)
- Medicare will reject inpatient claims (non-surgical DRG acute care hospital, both IPPS and non-IPPS, IRF, SNF, and swing bed) for services during the three day interruption of the LTCH claim with dates of interruption on or after July 1, 2004.
- If a patient's stay qualifies as an interrupted stay, the LTCH should adjust the claim generated by the original LTCH stay and submit one claim for the entire stay (LTCH plus the other site of care) with an occurrence span code 74 demonstrating the interrupted stay days; but
- If the stay does not qualify as an interrupted stay (because the time at another facility before being readmitted to the LTCH exceeds the total fixed-day threshold), you can receive two separate payments.
- To summarize the above:
  - Effective July 1, 2004, in addition to the original policies regarding interrupted stays, there is a special three-day interrupted policy that applies regardless of the patient' discharge venue.
  - Three-day interrupted policy requires that if a patient is readmitted to the LTCH within three days of discharge, Medicare will pay only one LTC DRG
  - Three-day interrupted policy will cover readmissions following an outpatient treatment, an inpatient stay at another provider and a discharge and readmission with an intervening patient-stay at home.
  - Payment for any non-surgical test or procedure procured during the interruption at an outpatient setting or for treatment in an inpatient setting is the LTCH's responsibility and should be considered a service provided "under arrangements."
  - "Under arrangements" means that the LTCH will bill and be paid for those services performed in another setting and no separate payment will be made to another facility during the three days.
  - The LTCH is responsible for paying the other providers.
  - There is an exception to this policy for surgical DRGs in an acute care hospital; Medicare will issue a separate payment to the acute hospital if the patient stay is grouped to a surgical DRG
- A list of surgical DRGs, effective through September 30, 2004, is attached to the instruction issued to CR 3279.
- When the interruption exceeds three days, LTCH payment is determined under the original interrupted stay policy (now referred to as a "greater than three-day interruption of stay"), but the day count for

purposes of determining the length of stay away from the LTCH begins on the day that the patient was discharged from the LTCH.

Links to Article/Manual

http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/MM3279.pdf

http://www.cms.hhs.gov/manuals/pm_trans/R399CP.pdf